

BEFORE THE
DIVISION OF MEDICAL QUALITY
MEDICAL BOARD OF CALIFORNIA
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

In the Matter of the Accusation
Against:

STEFAN SNYDER, M.D.

Physician's and Surgeon's
Certificate No. A-38489

Respondent.

NO. D-4088

OAH NO. L-48408

DECISION

The Division of Medical Quality non-adopted the Proposed Decision in this case and proceeded to decide the case itself upon the record, including the transcript. The parties were afforded the opportunity to present both written and oral argument before the Division itself.

Having reviewed the entire matter, the Division now makes this decision:

The attached Proposed Decision of the Administrative Law Judge is hereby adopted by the Division as its Decision in this case, except that two probation conditions in the penalty order are amended to read as follows:

Condition No. 1.

"1. As part of probation, respondent is suspended from the practice of medicine for 180 days, beginning the effective date of this Decision. Credit up to 90 days shall be given for time served in Federal prison under the Federal conviction. For example, if respondent actually served six months in prison, he shall be suspended for 90 days."

(As currently written, condition No. 1 is ambiguous and uncertain.)

Condition No. 11.

"11. If respondent violates probation in any respect, the Division, after giving respondent notice and opportunity to be heard, may revoke probation and carry out the disciplinary order that was stayed. If an accusation or petition to revoke probation is filed against respondent during probation, the Division shall have continuing jurisdiction until the matter is final, and the period of probation shall be extended until the matter is final.

"Upon successful completion of probation and carry out the disciplinary order that was stayed."

(As currently written, condition No. 11 leaves out the second sentence in model condition #34 providing for continuing jurisdiction in the event charges are filed for violation of probation.)

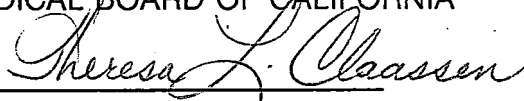
Except for the above two condition changes, the remainder of the penalty order in the Proposed Decision is adopted in full.

The effective date of this Decision shall be April 1, 1993

So ordered March 2, 1993

DIVISION OF MEDICAL QUALITY
MEDICAL BOARD OF CALIFORNIA

By



THERESA CLAASSEN, Secretary-Treasurer

BEFORE THE
MEDICAL BOARD OF CALIFORNIA
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

In the Matter of the Accusation
Against:

STEFAN SNYDER, M.D.
aka Stefan Sznajder, M.D.
11941 Wilshire Boulevard
Suite 3
Los Angeles, CA 90025

No. D-4088

L-48408

Physician's and Surgeon's
Certificate No. A38489,

and

STEFAN SNYDER, M.D.
dba Alpha Health Care
Medical Group
Fictitious Name Permit
No. P-13531,

Respondents.

PROPOSED DECISION

This matter was heard by Rosalyn M. Chapman, Administrative Law Judge of the Office of Administrative Hearings, at Los Angeles, California, on December 17, December 18, December 19, and December 20, 1991. Complainant was represented by Elisa B. Wolfe, Deputy Attorney General. Respondent was present throughout the trial and was represented by Ronald S. Marks and Henry H. Rossbacher, Attorneys at Law.

At the trial, the Accusation was amended, as follows:

At page 5, lines 1 through 4 were stricken and in their stead, the following was alleged:

"11. On or about March 10, 1989, in the case entitled United States of America v. Stefan Snyder, M.D., United States District Court for the Central District of California, case no. CR88-739(B)-SVW, respondent plead [sic] guilty to two counts of felony mail fraud (18 U.S.C. Section 1341); on or about May 5, 1989, pursuant to respondent's plea of guilty, respondent was convicted on the aforementioned counts of mail fraud."

And at page 5, line 8, the date "March 1989" was stricken and in its stead, the date "July 1988" was inserted.

Stipulated, oral and documentary evidence having been received and the matter submitted, the Administrative Law Judge finds, as follows:

FINDINGS OF FACT

1. The Accusation was made by Kenneth J. Wagstaff solely in his official capacity as Executive Director, Board of Medical Quality Assurance, the predecessor agency to the Medical Board (hereafter Board), State of California.

2. On or about June 7, 1982, the Board issued physician's and surgeon's certificate no. A38489 to Stefan Sznajder, M.D. On or about January 10, 1986, Stefan Sznajder, M.D., changed his name on the Board's records to Stefan Snyder, M.D. (hereafter respondent). Said license is in full force and effect.

3. On or about February 24, 1987, the Board issued fictitious name permit no. P-13531 to respondent, doing business as Alpha Health Care Medical Group. Said permit is in full force and effect.

4. Respondent was born [REDACTED] in Poland. He attended medical school in Poland, receiving a medical degree in 1975. Thereafter, he completed an one year medical internship, rotating through surgery, gynecology, and internal medicine. Respondent began an internal medicine residency in 1975, but did not complete it because he left Poland to live in Sweden. Respondent lived in Sweden for one year. Sometime in 1977 or 1978 respondent moved to Germany. While in Germany, respondent practiced medicine; completed another one year internship in internal medicine; and again began a residency, this time in gynecology, but failed to complete it.

5. Respondent immigrated to the United States in 1980, and was given political refugee status. Respondent intensively studied English, and shortly thereafter passed the Federal Licensing Examination (FLEX) for foreign medical graduates. In June 1982, respondent completed an one year internship in radiation therapy and internal medicine at the Wadsworth Veterans' Administration Hospital in Los Angeles. Respondent has not completed a residency program.

6. In the fall of 1982, respondent obtained a job as a physician with the Allen Medical Group in San Gabriel, California, where he practiced medicine for three or four years. While employed by the Allen Medical Group, respondent practiced weight control medicine, personal injury medicine and general medicine. After practicing medicine for two years or so with the Allen Medical Group, and while continuing with that group, respondent set up his own medical office and began to see private patients in the evenings and on weekends. In 1986, respondent left the Allen Medical Group and went into private practice as a full time solo practitioner.

Mail Fraud Conviction:

7. A. On or about March 10, 1989, in the case entitled United States of America v. Stefan Snyder, M.D., United States District Court for the Central District of California, case no. CR88-739(B)-SVW, respondent pleaded guilty to two counts of felony mail fraud (18 U.S.C. Code Section 1341); and on or about May 5, 1989, pursuant to respondent's plea of guilty, respondent was convicted of the aforementioned counts of mail fraud.

B. As to one count, the District Court sentenced respondent to six months in a federal prison, and, as to the other count, suspended imposition of sentence and placed respondent on probation for five years, consecutive to his imprisonment, under certain terms and conditions, including that he pay a \$50,000.00 fine (in such amounts as determined by the probation office), make available his financial records upon request by the probation office, and complete 1,000 hours of community service (as approved by the probation office).

8. The facts and circumstances underlying respondent's conviction involve respondent's participation in an ongoing scheme, from at least August 1987 and continuing through July 1988, to defraud insurance companies. As part of the insurance fraud scheme, respondent, in his capacity as a physician, prepared and/or disseminated medical records, reports, and bills for persons who falsely claimed injuries from non-existent automobile accidents. In connection with the insurance fraud scheme, respondent conducted two or three medical examinations of these "accident" participants and then generated false patient reports, which contained data, observations, and findings that

respondent never looked for, detected, or determined. Also in connection with the insurance fraud scheme, respondent prepared false medical reports regarding the physical conditions of staged accident participants, which reports attested to the existence of such false data, observations, and findings. In furtherance of the insurance fraud scheme, respondent prepared, or arranged for the preparation of, false medical bills which assessed fees for medical services to staged accident participants, which services were not in fact provided.

9. As part of the insurance fraud scheme, respondent paid Vladamir Grishim (hereafter Grishim), a co-defendant with respondent in the original federal indictment, to refer accident victims to him. Respondent paid Grishim and others \$500.00 for referral to him of an accident victim who had an attorney handling the personal injury claim, and \$1,000 for the referral to him of an accident victim who did not yet have an attorney handling the personal injury claim. As to the latter accident victims, respondent then arranged for an attorney to represent the accident victim in the personal injury matter, at an added fee to respondent. During the time in which respondent was involved in the insurance fraud scheme, Grishim referred nine to thirteen accident "cases" to him for medical treatment; and several of these accident "cases" involved more than one accident victim. Respondent suspected that some of the accident victims referred to him by Grishim were not involved in real automobile accidents, and respondent admitted this to an investigator for the Department of Insurance of the State of California (hereafter the Department) on or about March 16, 1989.

10. Respondent's conviction, and the facts and circumstances underlying it, are substantially related to the duties, qualifications or functions of a physician and surgeon, within the meaning of Title 16 California Code of Regulations (CCR) Section 1360, in that the conviction, and its underlying facts, separately, show respondent's present unfitness to be licensed as a physician and surgeon.

Dispensing Phentermine:

11. On or about July 20, 1987, the Department began an undercover investigation of respondent's medical practice to determine whether he was involved in insurance fraud. As part of the undercover investigation, the Department employed Henry Avina (hereafter Avina), one of its employees, as an undercover operative.

12. In his capacity as an undercover operative, Avina arranged with Grishim to pose as an accident victim, and, as an accident victim, Avina visited respondent at his medical office on three occasions:

A. Avina's first visit to respondent at his medical office occurred on November 23, 1987, when Grishim took Avina there. On this first visit, respondent obtained a medical history from Avina, and asked him questions about his automobile accident; but respondent did not perform a good faith medical examination of Avina.

B. Avina's second visit to respondent at his medical office occurred on January 7, 1988. Avina and respondent again discussed Avina's automobile accident; but, again, respondent did not perform a good faith medical examination of Avina.

C. Avina's third visit to respondent at his medical office occurred on March 4, 1988. On this occasion, Avina, who had previously informed respondent that he was a truck driver, requested pills from respondent to stay awake on an upcoming trucking job. In response to this request, respondent gave Avina fourteen (14) tablets of Phentermine HCl 8 milligrams. Respondent gave the Phentermine tablets to Avina without a good faith prior examination and without medical indication therefor. Avina's request for pills to help him stay awake while driving does not constitute medical indication for the dispensing of Phentermine to Avina. Moreover, respondent was aware that the dispensing of the Phentermine tablets to Avina was not medically indicated, and was unprofessional; he requested Avina not to tell others that he received these tablets and not to misuse them.

13. Respondent's dispensing of the Phentermine to Avina was, to a large extent, motivated by respondent's sympathy and compassion for Avina, who had told respondent of his financial woes, and respondent's belief that Avina needed to stay employed as a truck driver in order to support his family. It was not established that respondent received additional payment for the Phentermine tablets, or billed Avina for them. Respondent's improper dispensing of the Phentermine tablets to Avina, who was not a weight control patient, appears to be an isolated incident.

14. Phentermine is a dangerous drug within the meaning of Business and Professions Code (BPC) Section 4211 and a Schedule IV controlled substance within the meaning of Health and Safety Code (HSC) Section 11057(f)(2).

15. Phentermine is a medication dispensed by respondent to weight control patients. It is usually prescribed to be taken three times daily, before each meal, as an appetite suppressant. Phentermine comes in different dosages: An 8 milligram tablet is the lowest available dosage; 15 milligram, 30 milligram, and 37.5 milligram capsules are also available. It is unlikely that a drug dependent person would select an 8 milligram tablet of Phentermine as the drug of choice.

Additional Findings:

16. While involved in the insurance fraud scheme, only ten percent of respondent's medical patients were accident victims. The remainder of his practice was a weight control clinic. In March 1988, respondent voluntarily stopped accepting new accident victims as patients, although he continued to "treat" those he had already seen.

17. Respondent served his prison term at the federal institution in Lompoc, California. He was released from that prison on November 15, 1989. While respondent was in prison, his wife arranged for other physicians to substitute for him so that his offices did not close.

18. Respondent continues on probation, and is in compliance with probation. However, to date, respondent has paid less than \$2,000 toward the \$50,000.00 fine and respondent has performed less than 200 hours of community service toward the 1,000 hours required.

19. As part of his probation, respondent was required by his probation officer to participate in a short term (two months) group therapy program following his release from federal prison to help him reintegrate into society.

20. Since his release from prison, respondent has continued his medical practice as a solo practitioner. Respondent has three offices in the greater Los Angeles area, and works at each office approximately 1-1/2 days per week. The majority of respondent's patients are seeking to lose weight. Respondent has designed a weight loss program which focuses on diet, short term use of appetite suppressants (primarily Phentermine), and physical activity. Respondent has no hospital privileges.

21. In order to assure to that his weight control practice, and his dispensing of Phentermine and other controlled substances, is in compliance with California and federal law, in May 1989, respondent hired a pharmacist-consultant who reviewed his office procedures and made suggestions to him, which respondent incorporated, to assure legal compliance.

22. After arriving in the United States, respondent became active in the Southern California Polish-American community, obtaining political and public support for the Solidarity Movement. Respondent is well-known in, and well-regarded by, the Polish-American community of Southern California.

23. Respondent has been married for thirteen years, and is the father of two children. Respondent and his wife, whom he met in Sweden, are from the same town in Poland. They appear to have a close, loving relationship. Respondent's wife was extremely distressed by respondent's conviction and attendant loss of face in the Polish-American community of Southern California.

24. Respondent expresses remorse about his conduct, but is not completely open or candid about his role in the insurance fraud scheme; he seems reluctant to admit the full extent of his participation in that scheme. Respondent attempts to portray himself as a victim of Grishim's dishonesty and pressure, rather than to admit his own greed. And it does not appear that respondent has been completely forthright with his friends and supporters about his role in the insurance fraud scheme. Almost universally, respondent's friends believe that he was a "victim", whose conduct does not reflect adversely upon his professionalism as a doctor.

25. Perhaps respondent's lack of candor is due to his embarrassment (as appears to be his wife's primary and overwhelming response). But respondent must be able to completely acknowledge his role in, and responsibility for, the insurance fraud scheme in order to rehabilitate himself. In this regard, individual therapy for respondent, to help him acknowledge his actions, would serve a useful rehabilitative purpose.

* * * * *

Pursuant to the foregoing Findings of Fact, the Administrative Law Judge makes the following Determination of Issues:

CONCLUSIONS OF LAW

1. Grounds exist to revoke or suspend respondent's license to act as a physician and surgeon pursuant to Business and Professions Code (BPC) Sections 490 and 2236 in that respondent has been convicted of a crime substantially related to the duties, qualifications or functions of a physician and surgeon, as set forth in Findings 2 and 7-10 above.

2. Additional grounds exist to revoke or suspend respondent's license to act as a physician and surgeon pursuant to BPC Sections 2220 and 2227 in that respondent has acted unprofessionally in that he violated BPC Section 2234(e) by acting dishonestly and fraudulently, as set forth in Findings 2 and 8-10 above.

3. Grounds also exist to revoke or suspend respondent's license to act as a physician and surgeon pursuant to BPC Sections 2220 and 2227 in that respondent has conducted himself unprofessionally in that he violated BPC Sections 2261 and 2262 by preparing false medical reports, as set forth in Findings 2, 8 and 9 above.

4. Other grounds exist to revoke or suspend respondent's license to act as a physician and surgeon pursuant to BPC Sections 2220 and 2227 in that respondent acted unprofessionally in that he violated BPC Section 2242(a) by dispensing dangerous drugs without a good faith prior medical examination and without medical indication therefor, based on Findings 2 and 11-15 above.

5. Respondent is not rehabilitated from his conviction and its underlying dishonest acts, based on Findings 16-25 above.

6. The Order in this case gives respondent a three (3) months period to work toward completion of his criminal probationary term of community service, to take a medical ethics course, to select and obtain approval of a monitor, to start psychotherapy (if he chooses), and generally to take positive rehabilitative steps. Respondent has been practicing without probationary supervision for two years, since his release from prison, and has not, in that time, acted unprofessionally. Thus, outright revocation of respondent's license does not seem necessary to protect the public.

7. Grounds exist to revoke the fictitious name permit issued to respondent pursuant to BPC section 2415(f), based on Findings 2 and 3 and Conclusions of Law Nos. 1-4, separately, and for all.

* * * * *

WHEREFORE, THE FOLLOWING ORDER is hereby made:

ORDER

A. Physician's and Surgeon's Certificate No. A38489 issued to respondent Stefan Snyder, M.D., aka Stefan Sznajder, is revoked, based upon Conclusions of Law Nos. 1-3, separately, and for all. Physician's and Surgeon's Certificate No. A38489, issued to respondent Stefan Snyder, M.D., aka Stefan Sznajder, is suspended for one year, based upon Conclusion of Law No. 4. Said revocation and suspension shall run concurrently; provided, however, that both shall be stayed and respondent shall be placed on probation for five (5) years upon the following terms and conditions:

1. As part of probation, respondent is suspended from the practice of medicine for three (3) months or 180 days, beginning the effective date of this Decision.

2. Respondent shall maintain a record of all controlled substances prescribed, dispensed or administered by him during probation, which record shall show the following:
a) the name and address of the patient; b) the date; c) the character and quantity of controlled substances involved; and d) the indications and diagnosis for which the controlled substance was ordered. Respondent shall keep these records in a separate file or ledger, in chronological order, and shall make them available for inspection by the Division's designee upon request.

3. Respondent shall not directly bill any insurance company, employer, or party other than the patient (or parent or guardian, if the patient is a minor or conservatee), for services provided to patients.

4. Within ninety (90) days from the effective date of this Decision, respondent shall submit to the Division for its prior approval a course in ethics, which respondent shall successfully complete during the period of suspension.

5. Within ninety (90) days from the effective date of this Decision, respondent shall submit to the Division, for its prior approval, a plan of practice in which his practice shall be monitored by another physician in respondent's field of practice, who shall provide periodic reports to the Division, as directed. If the monitor resigns or is no longer available, respondent shall, within fifteen (15) days, move to have a new monitor appointed, through nomination by respondent and approval by the Division.

6. Respondent shall obey all federal, state and local laws, and all rules governing the practice of medicine in California.

7. Respondent shall submit quarterly declarations under penalty of perjury on forms provided by the Division, stating whether there has been compliance with all the conditions of probation.

8. Respondent shall comply with the Division's probation surveillance program.

9. Respondent shall appear in person for interviews with the Division's medical consultant upon request at various intervals and with reasonable notice.

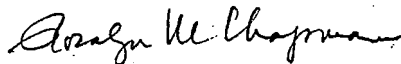
10. The period of probation shall not run during the time respondent is residing or practicing outside California. If, during probation, respondent leaves California to reside or practice elsewhere, he shall immediately notify the Division in writing of the dates of departure and return, if any.

11. If respondent violates probation in any respect, the Division, after giving respondent notice and an opportunity to be heard, may revoke probation and carry out the disciplinary order that was stayed.

Upon successful completion of probation, respondent's certificate shall be fully restored.

B. Fictitious Name Permit No. P-13531 issued to respondent Stefan Snyder, dba Alpha Health Care Medical Group, is hereby revoked, based on Conclusion of Law No. 7, but said revocation is stayed and the permit is placed on probation for five (5) years provided respondent complies with the terms and conditions set forth above in paragraph A of this Order.

Dated: January 17, 1992


ROSALYN M. CHAPMAN
Administrative Law Judge
Office of Administrative Hearings

RMC:lf

BEFORE THE DIVISION OF MEDICAL QUALITY
MEDICAL BOARD OF CALIFORNIA
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

In the Matter of the Accusation)
Against:)

Stefan Snyder, M.D.)
Certificate # A-38489)

Respondent.)
_____)

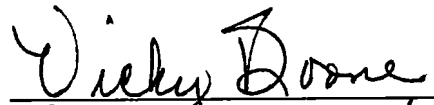
D-4088

ORDER DELAYING DECISION

Pursuant to section 11373 of the Government Code, the Division of Medical Quality, finding that a further delay is required by special circumstances, hereby issues this order delaying the decision for no more than 30 days from February 5, 1993 (when the 90 day period expires) to March 5, 1993 .

The reason for the delay are as follows: This case is on the agenda for the Division's meeting on February 4, 1993. Therefore, the Division needs additional time to re-draft the decision and to effect service on the parties.

DATED: January 14, 1993


John Lancara
Chief - Enforcement *for*
Enforcement Program
Division of Medical Quality

BEFORE THE DIVISION OF MEDICAL QUALITY
MEDICAL BOARD OF CALIFORNIA
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

In the Matter of the Accusation)
Against:)
)
STEFAN SNYDER, M.D.)
Certificate No. A-38489)
)
)
Respondent.)

No. D-4088

NOTICE OF NON-ADOPTION
OF PROPOSED DECISION

NOTICE TO ALL PARTIES:

YOU ARE HEREBY NOTIFIED that the Division of Medical Quality voted not to adopt the Proposed Decision recommended in this case. The Division itself will now decide the case upon the record, including the transcript.

To order a copy of the transcript, please contact the Transcript Clerk, Office of Administrative Hearings, 314 West First Street, Los Angeles, CA 95814, (213) 897-4542.

After the transcript has been prepared, the Division will send you notice of the deadline date to file your written argument. Your right to argue on any matter is not limited; however, no new evidence will be considered. The Division is particularly interested in arguments on why a different decision should not be made.

In addition to written argument, oral argument may be scheduled if any party files, with the Division within 20 days from the date of this notice, a written request for oral argument. If a timely request is filed, the Division will serve all parties with written notice of the time, date and place of the hearing.

Please remember to serve the opposing party with a copy of your written argument and any other papers you might file with the Division. The mailing address of the Division is as follows:

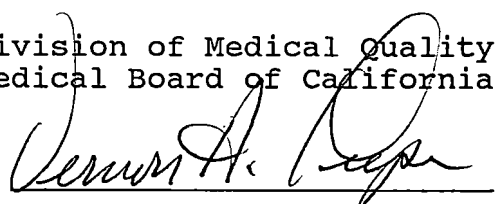
Division of Medical Quality
Medical Board of California
1430 Howe Ave., Suite 100
Sacramento, CA 95825

Dated: April 9, 1992

Division of Medical Quality
Medical Board of California

Rev:kk:1/92

By



1 ORDER OF THE DIVISION OF MEDICAL QUALITY
2 OF THE MEDICAL BOARD OF CALIFORNIA

3 HAVING READ THE MARCH 26, 1991 PETITION filed in Board
4 Case No. D-4088 and having considered the relevant facts and
5 circumstances surrounding the issuance of the Division's Decision
6 in this matter,

7 IT IS HEREBY ORDERED THAT:

- 8 (1) the March 20, 1991 decision of the Division of Medical
9 Quality of the Medical Board of California in Board Case No.
10 D-4088 be vacated, and
11 (2) Board Case No. D-4088 be remanded to the Office of
12 Administrative Hearings for a new administrative hearing
13 before an administrative law judge other than the Honorable
14 Paul M. Hogan.

15
16 IT IS FURTHER ORDERED THAT the Exhibits lodged with the
17 Office of Administrative Hearings be returned to the parties.

18
19 THIS ORDER SHALL BECOME EFFECTIVE IMMEDIATELY.

20
21 ON THIS 3 DAY OF April, 1991, IT IS SO
22 ORDERED IN THE MATTER OF THE ACCUSATION.

23 STEFAN SNYDER, M.D.,
24 aka STEFAN SZNAJDER, M.D.
25 11941 Wilshire Blvd., Suite 3
26 Los Angeles, CA 90025
27 Physicians & Surgeons Certificate No. A-38489
and
STEFAN SNYDER, M.D., dba
ALPHA HEALTH CARE MEDICAL GROUP
Fictitious Name Permit
No. P-13531 Respondents.

DIVISION OF MEDICAL QUALITY
By Vernon A. Repp

D-4088
L-48408

REDACTED

BEFORE THE
DIVISION OF MEDICAL QUALITY
BOARD OF MEDICAL QUALITY ASSURANCE
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

In the Matter of the Accusation)
Against:

STEFAN SNYDER, M.D.,
aka STEFAN SZNAJDER, M.D.
11941 Wilshire Blvd., Ste. 3
Los Angeles, CA 90025
Physician's and Surgeon's
Certificate No. A38489,

No. D-4088

L-48408

and

STEFAN SNYDER, M.D.,
dba ALPHA HEALTH CARE
MEDICAL GROUP
Fictitious Name Permit
No. P-13531,

Respondent.

DECISION

The attached Proposed Decision of the Administrative Law Judge is hereby adopted by the Medical Board of California as its Decision in the above-entitled matter.

This Decision shall become effective on April 19, 1991.

IT IS SO ORDERED March 20, 1991.

BY: Theresa Claassen
THERESA CLAASSEN, Secretary-Treasurer

btm

BEFORE THE
DIVISION OF MEDICAL QUALITY
BOARD OF MEDICAL QUALITY ASSURANCE
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

In the Matter of the Accusation)	
Against:)	
)	
)	
STEFAN SNYDER, M.D.,)	No. D-4088
aka STEFAN SZNAJDER, M.D.)	
11941 Wilshire Blvd., Ste. 3)	
Los Angeles, CA 90025)	L-48408
Physician's and Surgeon's)	
Certificate No. A38489,)	
)	
and)	
)	
STEFAN SNYDER, M.D.,)	
dba ALPHA HEALTH CARE)	
MEDICAL GROUP)	
Fictitious Name Permit)	
No. P-13531,)	
)	
)	
Respondent)	
)	

PROPOSED DECISION

This matter came on regularly for hearing before Paul M. Hogan, Administrative Law Judge of the Office of Administrative Hearings, at Los Angeles, California, on November 28, 29 and 30, 1990.

Complainant was represented by Elisa B. Wolfe, Deputy Attorney General. Respondent appeared personally and was represented by Moton Holt, attorney at law.

Evidence, both oral and documentary, was presented and the matter was submitted for decision. The Administrative Law Judge makes the following findings of fact:

1. Complainant, Kenneth J. Wagstaff, filed the accusation solely in his official capacity as Executive Director of the Board of Medical Quality Assurance of the State of California. The Board is the predecessor in interest of the Medical Board of California. The latter Board has succeeded to all the statutory obligations, rights and powers vested by statute in its predecessor and is charged with the enforcement of the Medical Practice Act.

2. At all times herein mentioned, Stefan Snyder was and is licensed to practice medicine within the State of California by virtue of Certificate No. A38489 heretofore issued by the predecessor Board to respondent under the name of Stefan Sznajder, M.D.

3. Pursuant to Fictitious Name Permit No. P-13531, respondent is authorized to practice medicine and do business under the fictitious name and style of ALPHA HEALTH CARE MEDICAL GROUP.

4. On May 5, 1989, respondent was convicted on his plea of guilty to two counts of felony mail fraud in violation of Section 1341 of Title 18, United States Code. As a consequence of this conviction, respondent was sentenced to six months imprisonment, a \$50,000 fine, and five years probation, commencing on May 5, 1989.

5. Respondent's conviction resulted from his involvement in a well-orchestrated scheme to stage fictitious automobile accidents, bodily injury, medical treatment and physical therapy all to serve as fraudulent bases for billing automobile liability insurance carriers.

6. In furtherance of this scheme, respondent performed minimal, highly cursory physical examinations of persons posing as patients, each of whom was essentially an actor in a staged automobile accident. He then prepared false patient records and false medical reports based thereon. All for all of this, respondent prepared and submitted false billings.

UNJUSTIFIED PRESCRIBING

7. On March 4, 1988, California Department of Insurance Special Investigator Henry Avina, working undercover as a staged accident participant under the assumed name of Jesse M. [REDACTED] (also called "Jesus"), received fourteen tablets of Phentermine HCl 8 mg. from respondent. Respondent dispensed these tablets without having conducted a good faith prior medical examination of Avina, and without any medical indication therefor.

8. Phentermine is a Class IV restricted drug which affects the central nervous system as a stimulant and which is used as an appetite suppressant. It is not clear that this drug is inherently unsafe for self-medication.

RESPONDENT'S CASE

9. Respondent was born in Poland on [REDACTED], graduated there from medical school in 1975 and came to the United States in 1979. After taking the required examination, he was licensed to practice medicine in this state in 1982. He is a general practitioner who has concentrated in internal medicine, although not board-certified in that specialty.

10. Respondent claims not to have been aware that the patient cases which lead to his conviction were bogus.

Yet, each of these cases involved an attorney, or the attorney's "administrator", and the use of an intermediary who owed respondent money (his co-defendant, Grishin). And while claiming ignorance, respondent admits suspecting that "some" of the claims were baseless. Moreover, respondent checked with some of his colleagues in the medical profession on the subject of staged claims, and was informed that "... it was highly unlikely that an automobile accident containing four people would be legitimate."

11. Respondent's evidence is not persuasive.

MISCELLANEOUS

12. All evidence contained in the accusation upon which no specific findings have been made hereinabove have not been proved.

DETERMINATION OF ISSUES

1. The physician's and surgeon's certificate heretofore issued to respondent is subject to discipline pursuant to Business and Professions Code Sections 2234 and 2220 as follows:

a. For unprofessional conduct within the meaning of Section 2236(a) of said Code because of his conviction of a criminal offense substantially related to the qualifications, functions, and duties of a physician and surgeon within the meaning of Section 490 of said Code.

b. For unprofessional conduct in preparing false medical reports within the meaning of Section 2261 of said Code, and in preparing false patient records as described in Sections 2261 and 2262 thereof.

c. For dishonest and corrupt acts substantially related to the duties, qualifications and functions of a physician and surgeon as defined in Section 2234(e) of the Code arising from his preparation and submission of false medical reports, patient records and billings.

2. Respondent's said certificate is subject to discipline, separately and severally, for each basis of discipline set forth in paragraphs 1(a), (b), and (c) above, and each of them.

3. Other bases of discipline charged in the accusation on file herein have not been established by the findings.

ORDER

Physician's and Surgeon's Certificate No. A38489 and Fictitious Name Permit No. F-13531 heretofore issued to respondent Stefan Snyder, M.D. are, and each is, hereby revoked.

DATED: Jan. 31, 1991



PAUL M. HOGAN
Administrative Law Judge
Office of Administrative Hearings

PMH:btm

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BEFORE THE
DIVISION OF MEDICAL QUALITY
BOARD OF MEDICAL QUALITY ASSURANCE
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

In the Matter of the Accusation
Against:

Board Case No. D-4088

STEFAN SNYDER, M.D.,
aka STEFAN SZNAJDER, M.D.
11941 Wilshire Blvd., Ste. 3
Los Angeles, CA 90025
Physician's and Surgeon's
Certificate No. A38489,

ACCUSATION

and

STEFAN SNYDER, M.D., dba
ALPHA HEALTH CARE
MEDICAL GROUP
Fictitious Name Permit
No. P-13531,

Respondent.

KENNETH J. WAGSTAFF ("Complainant"), for causes for
discipline, alleges:

I

1. Complainant makes and files this accusation in his
official capacity as Executive Director, Board of Medical Quality
Assurance, Department of Consumer Affairs.

II

RESPONDENT'S LICENSE HISTORY

2. On or about June 7, 1982, the Board of Medical Quality Assurance issued, pursuant to Business and Professions Code sections 2005, 2050, Physician's and Surgeon's Certificate No. A38489 to STEFAN SZNAJDER, M.D.. Said certificate was, at all times mentioned herein, and is in full force and effect.

3. On or about January 10, 1986, STEFAN SZNAJDER, M.D., changed his name on his Board of Medical Quality Assurance records to STEFAN SNYDER, M.D.

4. On or about February 24, 1987, the BMQA issued Fictitious Name Permit No. P-13531 to STEFAN SNYDER, M.D., a sole practitioner, doing business as ALPHA HEALTH CARE MEDICAL GROUP. Said permit was, all times mentioned herein, and is in full force and effect.

III

5. Business and Professions Code section 2220 requires that the Division of Medical Quality of the Board of Medical Quality Assurance shall enforce and administer the provisions of Article 12^{1/} of the Medical Practice Act^{2/} as to all holders of physician's and surgeon's certificates.

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1. Business and Professions Code sections 2220-2319.

2. Business and Professions Code section 2000 et seq.

1 6. Business and Professions Code section 2234 states in
2 relevant part that:

3 "The Division of Medical Quality shall take action
4 against any licensee who is charged with unprofessional
5 conduct. In addition to other provisions of this article,
6 unprofessional conduct includes, but is not limited to, the
7 following:

8

9 (e) The commission of any act involving dishonesty or
10 corruption which is substantially related to the
11 qualifications, functions, or duties of a physician and
12 surgeon.

13 "

14 7. Business and Professions Code section 2236 provides
15 in pertinent part that:

16 "(a) The conviction of any offense substantially
17 related to the qualifications, functions, or duties of a
18 physician and surgeon constitutes unprofessional conduct
19 within the meaning of this chapter. The record of conviction
20 shall be conclusive evidence only of the fact that the
21 conviction occurred.

22 (b) The division may inquire into the circumstances
23 surrounding the commission of the crime in order to fix
24 the degree of discipline or to determine if such conviction
25 is of an offense substantially related to the
26 qualifications, functions, or duties of a physician and
27 surgeon. A plea or verdict of guilty or a conviction

1 following a plea of nolo contendere made to a charge
2 substantially related to the qualifications, functions,
3 or duties of a physician and surgeon is deemed to be a
4 conviction within the meaning of this section.

5 (c) Discipline may be ordered in accordance with
6 section 2227, . . . when the time for appeal has elapsed, or
7 the judgment of conviction has been affirmed on appeal, or
8 when an order granting probation is made suspending the
9 imposition of sentence, . . ."

10 8. Business and Professions Code section 490 allows a
11 board to "suspend or revoke a license on the ground that the
12 licensee has been convicted of a crime, if the crime is sub-
13 stantially related to the qualifications, functions, or duties of
14 the business or profession for which the license was issued. . ."

15 9. Business and Professions Code section 2261 declares
16 that, "Knowingly making or signing any certificate or other
17 document directly or indirectly related to the practice of
18 medicine or podiatry which falsely represents the existence or
19 nonexistence of a state of facts, constitutes unprofessional
20 conduct."

21 10. Business and Professions Code section 2262 states
22 in part that, "creating any false medical record, with fraudulent
23 intent, constitutes unprofessional conduct."

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IV

11. On or about May 1, 1989, STEFAN SNYDER, M.D. ("respondent"), pled guilty to, and hence was convicted of two counts of Felony Mail Fraud (18 U.S.C. section 1341).

12. The facts and circumstances behind the conviction involved respondent's participation in an ongoing scheme to defraud insurance companies, from at least as early as August 1987 and continuing at least through March 1989. As part of said scheme, respondent, in his capacity as a physician, prepared and/or disseminated medical records, reports, and bills for persons who falsely claimed injuries from nonexistent car accidents.

13. In connection with said insurance fraud scheme, respondent gave only cursory medical examinations to these "staged accident" participants. He then generated false patient records for the staged accident participants. These false patient records contained data, observations, and findings that respondent never looked for, detected, or determined.

14. Also in connection with the insurance fraud scheme, respondent prepared false medical reports regarding the physical condition of staged accident participants. Said reports attested to the existence of said false data, observations, and findings.

15. In furtherance of the insurance fraud scheme, respondent prepared, or arranged for the preparation of, false medical bills which assessed fees for medical services to staged accident participants, which services in fact were not provided.

1 16. Respondent's conviction of two counts of felony
2 mail fraud, along with the facts and circumstances behind said
3 conviction, constitutes unprofessional conduct under Business and
4 Professions Code section 2236(a). Such unprofessional conduct is
5 grounds for disciplinary action against respondent's physician's
6 and surgeon's certificate pursuant to Business and Professions
7 Code sections 2234, 2220.

8 17. Respondent's conviction constitutes grounds to
9 suspend or revoke respondent's physician's and surgeon's
10 certificate pursuant to Business and Professions Code section
11 490.

12 18. Respondent's preparation of false medical reports
13 and medical bills constitutes unprofessional conduct under
14 Business and Professions Code section 2261. Such unprofessional
15 conduct is grounds to take disciplinary action against
16 respondent's physician's and surgeon's certificate under Business
17 and Professions Code section 2234, 2220.

18 19. Respondent's preparation of false patient records
19 constitutes unprofessional conduct under Business and Professions
20 Code sections 2261, 2262. Said unprofessional conduct is grounds
21 to take disciplinary action against respondent's physician's and
22 surgeon's certificate pursuant to Business and Professions Code
23 sections 2234, 2220.

24 20. Respondent's acts and omissions set forth in
25 paragraphs 12, 13, 14, and 15 are dishonest and/or corrupt acts
26 substantially related to the qualifications, functions, and/or
27 duties of a physician and surgeon, and thereby constitute

1 unprofessional conduct under Business and Professions Code
2 section 2234(e). Such unprofessional conduct is grounds to take
3 disciplinary action against respondent's physician's and
4 surgeon's certificate pursuant to Business and Professions Code
5 sections 2234, 2220.

6
7 V

8 21. Business and Professions Code section 2242(a)
9 declares that, "Prescribing, dispensing, or furnishing dangerous
10 drugs as defined in section 4211 without a good faith prior
11 examination and medical indication therefor, constitutes
12 unprofessional conduct."

13 22. Business and Professions Code section 4211
14 provides in relevant part that:

15 " 'Dangerous drug' means any drug unsafe for self-
16 medication, except veterinary drugs which are labeled as
17 such, and includes the following:

18 (a) Any drug which bears the legend: 'Caution:
19 federal law prohibits dispensing without prescription'
20 or words of similar import.

21

22 (c) Any other drug or device which by federal or
23 state law can be lawfully dispensed only on
24 prescription or furnished pursuant to Section 4240."

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23. On or about March 7, 1989, California Department of Insurance Special Investigator Henry Avina, working undercover as a staged accident participant named Jesus ("Jesse") M. [REDACTED] received fourteen (14) tablets of Phentermine HCl 8 mg. from respondent. Respondent gave said tablets to Special Investigator Avina without a good faith prior medical examination and without a medical indication therefor.

24. Respondent's prescribing, dispensing, and furnishing of Phentermine HCl 8 mg., a dangerous drug under Business and Professions Code section 4211, without a good faith prior medical examination and without a medical indication therefor, constitute unprofessional conduct under Business and Professions Code section 2242(a). Such unprofessional conduct is grounds for disciplinary action pursuant to Business and Professions Code sections 2234, 2220.

VI

25. Business and Professions Code section 2227 states in pertinent part that:

"A licensee whose matter has been heard by the Division of Medical Quality, . . . or by an administrative law judge, or whose default has been entered, and who is found guilty may, in accordance with the provisions of this chapter:

(a) Have his or her certificate revoked upon order of the division.

(b) Have his or her right to practice suspended for a period not to exceed one year upon order of the

division . . .

(c) Be placed on probation upon order of the
division . . .

(d) Publicly reprimanded by the division . . .

(e) Have such other action taken in relation to discipline as the division . . . or an administrative law judge may deem proper."

26. Business and Professions Code section 2415(f) requires that, "A fictitious-name permit issued to any licensee in a solo practice is automatically revoked in the event the licensee's certificate to practice medicine . . .is revoked."

VII

27. For the reasons set forth in paragraphs 2 through 26, inclusive, good cause exists to impose discipline on the physician's and surgeon's certificate and fictitious name permit issued to respondent.

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WHEREFORE, complainant prays that a hearing be held and that the Division of Medical Quality of the Board of Medical Quality Assurance make its order:

1. Revoking Physician's and Surgeon's Certificate No. A38489, issued to Stefan Snyder, M.D., aka Stefan Sznajder, M.D..

2. Revoking Fictitious Name Permit No. P-13531, issued to Stefan Snyder, M.D., dba Alpha Health Care Medical Group.

3. Taking such other and further action as may be deemed proper and appropriate.

DATED: October 6, 1989

KENNETH J. WAGSTAFF
Executive Director
Board of Medical Quality Assurance
Department of Consumer Affairs
State of California

Complainant